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THE CONTRIBUTION OF THE EXTENSION SERVICE TO THE WHEAT ADJUSTMENT PROGRAM

A radio talk by H. W. Hochbaum, Extension Service, United States Department of Agriculture, broadcast in the Land Grant College Radio Program, Wednesday, August 16, 1933, by a network of 48 N. B. C. radio stations.

Friends of the Farm and Home Hour:

In every county where wheat is grown, 2200 counties, or more, the county agents are showing farmers how tremendous the wheat problem is. One million, two hundred thousand of you are concerned. Unless you understand the whole wheat situation and what is back of it, accept the adjustment which the farm act offers, this, the wheat plan, cannot be successful. The big contribution the extension service must make is to do just that, to help you understand the changed situation, to show you what the wheat plan will work, and to aid you in carrying out the plan successfully.

By means of countless meetings, committees, circular letters, circulars, and charts, and with the good help of the press and radio, the extension agents are bringing home to you that we are growing too much wheat. But how can that be? You are not growing more wheat on the average than you have for the last ten years. Ah, but conditions have changed. The people of Europe are not buying wheat from us now. They are trying desperately to grow their own, are paying their farmers high premiums for growing more wheat. As a result, the United States has a carryover of nearly 400 million bushels, more than half the entire world's carryover. European high tariffs, quotas, embargoes, premiums, inability to buy, have been all too effective barriers.

What is the answer? There is only one. We must control the production of wheat. This must be brought down to where effective demand in relation to supply operates again. But, how? By statute? No, by the farmers themselves, by means of the wheat plan. Can you do this? Why, surely you can, and you will as soon as you understand the great need and see how simple the wheat plan is.

What is the plan? It is a purely voluntary one. When you sign a contract with the Secretary of Agriculture, you agree to cut your wheat seeding this fall, or next spring if you grow spring wheat, and again in the fall of 1934 or the spring of 1935. For 1933-1934 you will not need to reduce your acreage more than twenty percent of the average you seeded in the crop years, '30, '31, '32.

But how will that help you? This reduction should bring the price of wheat up to something like it should be. To make this more sure, you and every farmer whose contract is accepted will get a compensatory payment. The gross payment will be 28 cents per bushel for 54 percent of your average production in the crop years '30, '31, and '32. A small deduction will be made from this 28 cents to meet the local costs of carrying out the plan. These costs vary with every county. They are determined by the men who are elected by you and your neighbors to run the county wheat production control association.

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Who manages the venture? The farmers themselves. You will be asked to sign an application for a contract. In this you report the acreage of wheat seeded during '30, '31 and '32 and your production of wheat. This application entitles you to elect a wheat grower to represent the community on the county board of directors, and also two community committeemen. This local committee of three checks the reports you gave in your application.

As soon as the county board of directors of the county wheat production control association is complete, this board elects from its members three men to serve as the county allotment committee. This committee again checks your report of acreage and production and publishes all such reports from applicants, in the local papers. After a reasonable time to hear complaints and make corrections, the allotment committee computes your allotment and prepares a contract for your signature. All contracts must be certified to the Secretary of Agriculture. If your contract is accepted by him, you will be given the compensatory payments. The first one, 20 cents a bushel on your allotted bushels will be paid sometime after September 15. The second payment, eight cents minus the local charges, will be paid in late spring after your control association, through its own paid supervisors, is assured that you are living up to the terms of the contract.

Similar payments will be made in '34 and '35 to all who sign contracts now, provided that there is still need to pay you something to bring the wheat price to parity. The amount of these payments and the reduction of acreage then required, will depend, of course, on the wheat situation next year.

Now what's this parity? In the years 1910 to 1914 the price you got for wheat was on the same level as the price you had to pay for things you bought. In other words, five bushels of wheat then bought a \$4.50 pair of "Sunday-go-to-meeting" shoes. But there have been years since then when five bushels of wheat would hardly buy a pair of cheap carpet slippers. And it is this disparity that caused all the woe and grief.

The adjustment act, the wheat plan, seeks to maintain parity, that is, a fairly constant purchasing power of the farmer's dollar.

The extension service, from top to bottom, is going full steam ahead in explaining the wheat problem, organizing leadership, outlining the wheat plan, assisting farmers in understanding application and contract requirements, guiding the organization of the control association. You thought the county agent was a busy man in times past. But that was nothing. Now he is at it day and night with the whole extension force and with thousands of local leaders. From the reports we are getting from the many States, we know you farmers are understanding, are getting behind the plan, are going to make it a success, are going to gain control of the wheat problem.